

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2007

	January-07				December-06				September-06				Current	Prior Year	3 Years	5 Years
	Allocation		Month	Net ROR	Allocation		Quarter	Net ROR	Allocation		Quarter	Net ROR	Net ROR	Net ROR	Net	Net
	Market Value	Actual			Policy	Market Value			Actual	Policy						
LARGE CAP DOMESTIC EQUITY																
Structured Growth																
LA Capital	1,503,401	3.1%	3.0%	3.33%	1,464,474	3.1%	3.0%	7.70%	1,357,417	3.0%	3.0%	1.81%	13.30%	11.88%	N/A	N/A
Total Structured Growth	1,503,401	3.1%	3.0%	3.33%	1,464,474	3.1%	3.0%	7.70%	1,357,417	3.0%	3.0%	1.81%	13.30%	11.88%	12.99%	0.19%
Russell 1000 Growth				2.57%				5.93%				3.94%	12.93%	6.12%	8.34%	-0.77%
Structured Value																
LSV	1,511,400	3.1%	3.0%	2.02%	1,492,239	3.1%	3.0%	8.13%	1,392,736	3.1%	3.0%	4.48%	15.25%	15.93%	21.06%	12.29%
Russell 1000 Value				1.28%				8.00%				6.22%	16.19%	12.10%	15.70%	6.89%
Enhanced Russell 1000 Index																
LA Capital	1,393,282	2.9%	3.0%	1.37%	1,403,358	2.9%	3.0%	7.80%	1,299,617	2.9%	3.0%	3.51%	13.11%	12.49%	12.73%	3.75%
Russell 1000				1.93%				6.95%				5.06%	14.53%	9.08%	12.05%	3.12%
Enhanced S&P 500 Index																
Northern Trust	1,398,566	2.9%	3.0%	1.68%	1,413,445	3.0%	3.0%	6.42%	1,326,246	2.9%	3.0%	6.56%	15.31%	9.33%	11.32%	2.81%
Westridge	1,644,704	3.4%	3.0%	1.55%	1,585,877	3.3%	3.0%	6.86%	1,482,915	3.3%	3.0%	5.68%	14.69%	8.80%	11.46%	2.80%
Wells Capital	1,022,900	2.1%	2.0%	3.29%	970,427	2.0%	2.0%	13.95%	847,923	1.9%	2.0%	1.21%	19.13%	N/A	N/A	N/A
Franklin	979,748	2.0%	2.0%	1.49%	944,630	2.0%	2.0%	5.52%	891,568	2.0%	2.0%	N/A	N/A	N/A	N/A	N/A
Total Enhanced S&P 500 Index	5,045,918	8.3%	8.0%	1.92%	4,914,379	8.3%	8.0%	7.79%	4,548,652	8.1%	8.0%	5.15%	15.52%	8.58%	11.40%	2.76%
S&P 500				1.51%				6.70%				5.67%	14.45%	8.63%	11.22%	2.49%
S&P 500 Index																
State Street	665,970	1.4%	1.4%	1.98%	639,533	1.3%	1.4%	8.05%	591,044	1.3%	1.4%	5.79%	16.57%	9.62%	11.55%	2.70%
S&P 500				1.51%				6.70%				5.67%	14.45%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	10,119,970	20.7%	20.0%	2.07%	9,913,982	20.8%	20.0%	7.85%	9,189,466	20.3%	20.0%	4.32%	14.83%	10.93%	13.21%	3.86%
S&P 500				1.51%				6.70%				5.67%	14.45%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY																
Manager-of-Managers																
SEI	4,347,429	8.9%	8.6%	1.61%	4,289,773	9.0%	8.6%	8.85%	3,934,838	8.7%	8.6%	-0.01%	10.59%	13.56%	18.31%	8.00%
Russell 2000 + 200bp				1.84%				9.43%				0.94%	12.50%	16.86%	21.06%	10.71%
Callan	1,729,222	3.5%	3.4%	2.57%	1,686,146	3.5%	3.4%	8.45%	1,527,501	3.4%	3.4%	-0.91%	10.22%	N/A	N/A	N/A
Russell 2000				1.67%				8.90%				0.44%	11.21%			
TOTAL SMALL CAP DOMESTIC EQUITY	6,076,651	12.4%	12.0%	1.88%	5,975,920	12.5%	12.0%	8.74%	5,462,338	12.1%	12.0%	-0.27%	10.49%	13.40%	18.25%	7.97%
Russell 2000				1.67%				8.90%				0.44%	11.21%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY																
Large Cap - Core																
State Street	554,884	1.1%	1.1%	0.38%	552,582	1.2%	1.1%	11.53%	495,659	1.1%	1.1%	3.40%	15.76%	27.85%	20.61%	6.87%
MSCI EAFE (1)				0.68%				10.35%				3.93%	15.46%	26.56%	20.76%	5.94%
Large Cap - Active																
Capital Guardian	1,645,807	3.4%	3.3%	1.80%	1,618,517	3.4%	3.3%	8.42%	1,491,429	3.3%	3.3%	4.95%	15.84%	28.01%	21.32%	6.58%
LSV	1,650,650	3.4%	3.3%	1.34%	1,627,920	3.4%	3.3%	10.85%	1,468,655	3.2%	3.3%	5.93%	19.00%	27.77%	N/A	N/A
Bank of Ireland	532,353	1.1%	1.1%	-0.24%	534,110	1.1%	1.1%	9.82%	486,450	1.1%	1.1%	3.02%	12.86%	22.00%	19.16%	N/A
Total Large Cap - Active	3,828,810	7.8%	7.7%	1.31%	3,780,548	7.9%	7.7%	9.65%	3,446,534	7.6%	7.7%	5.09%	16.74%	27.11%	21.84%	7.14%
MSCI EAFE - 50% Hedged				1.35%				9.06%				4.87%	15.92%	26.72%	22.56%	6.89%
Small Cap - Active																
Lazard	547,943	1.1%	1.1%	0.15%	546,890	1.1%	1.1%	15.51%	473,447	1.0%	1.1%	1.38%	17.28%	25.04%	29.34%	N/A
Wellington	526,778	1.1%	1.1%	1.63%	518,017	1.1%	1.1%	9.14%	473,928	1.0%	1.1%	3.21%	14.49%	23.35%	25.26%	N/A
Total Small Cap - Active	1,074,720	2.2%	2.2%	0.87%	1,064,907	2.2%	2.2%	12.33%	947,375	2.1%	2.2%	2.29%	15.90%	24.18%	27.28%	N/A
Citigroup Broad Market Index < \$2BN				1.50%				11.41%				1.55%	14.83%	29.21%	32.38%	N/A
TOTAL INTERNATIONAL EQUITY	5,458,414	11.2%	11.0%	1.14%	5,398,036	11.3%	11.0%	10.36%	4,889,568	10.8%	11.0%	4.36%	16.48%	26.61%	22.77%	8.74%
MSCI EAFE - 50% Hedged				1.35%				9.06%				4.87%	15.92%	26.72%	22.56%	6.89%
EMERGING MARKETS EQUITY																
Core																
JP Morgan	190,337	0.4%	0.3%	0.30%	189,648	0.4%	0.3%	17.51%	161,122	0.4%	0.3%	7.76%	27.01%	N/A	N/A	N/A
PanAgora	157,595	0.3%	0.0%	-1.38%	159,741	0.3%	0.0%	17.38%	135,934	0.3%	0.0%	4.96%	21.50%	N/A	N/A	N/A
WestLB	160,325	0.3%	0.0%	-0.97%	161,891	0.3%	0.0%	17.37%	137,786	0.3%	0.0%	2.94%	19.66%	N/A	N/A	N/A
UBS	284,537	0.6%	0.6%	-0.46%	285,648	0.6%	0.6%	16.12%	245,500	0.5%	0.6%	4.67%	20.99%	N/A	N/A	N/A
Total Core	792,794	1.6%	1.3%	-0.54%	796,928	1.7%	1.3%	16.75%	680,342	1.5%	1.3%	5.09%	22.04%	35.59%	32.44%	18.61%
MSCI Emerging Markets				-1.04%				17.64%				5.01%	22.25%	35.91%	22.39%	12.89%
Small Cap																
DFA	187,532	0.4%	0.4%	1.80%	184,073	0.4%	0.4%	20.71%	152,155	0.3%	0.4%	8.53%	33.37%	N/A	N/A	N/A
MSCI Emerging Markets				-1.04%				17.64%				5.01%	22.25%			
TOTAL EMERGING MARKETS EQUITY	980,326	2.0%	2.0%	-0.10%	981,001	2.1%	2.0%	17.47%	832,497	1.8%	2.0%	5.71%	24.05%	34.40%	32.05%	18.40%
MSCI Emerging Markets				-1.04%				17.64%				5.01%	22.25%	35.91%	34.76%	21.54%
DOMESTIC FIXED INCOME																
Core Bond																
Western Asset	1,648,972	3.4%	3.2%	-0.15%	1,665,702	3.5%	3.5%	1.78%	1,632,663	3.6%	3.5%	4.29%	5.99%	-1.15%	2.65%	5.96%
Lehman Aggregate				-0.04%				1.24%				3.81%	5.05%	-0.81%	2.05%	4.97%
Index																
Bank of ND	2,977,795	6.1%	7.3%	-0.13%	3,009,144	6.3%	7.3%	0.88%	3,025,108	6.7%	7.3%	3.77%	4.54%	-1.37%	1.53%	5.24%
Total Index	2,977,795	6.1%	7.3%	-0.13%	3,009,144	6.3%	7.3%	0.88%	3,025,108	6.7%	7.3%	3.77%	4.54%	-0.69%	2.10%	5.27%
Lehman Gov/Credit				-0.08%				1.04%				3.91%	4.90%	-1.52%	1.60%	5.13%
Convertibles																
TCW (2)	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	1,418,857	3.1%	3.5%	2.85%	N/A	4.54%	6.78%	1.15%
Calamos	1,703,464	3.5%	3.2%	1.15%	1,529,153	3.2%	3.5%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Convertibles	1,703,464	3.5%	3.2%	1.15%	1,529,153	3.2%	3.5%	4.93%	1,418,857	3.1%	3.5%	2.85%	9.16%	4.54%	6.78%	1.15%
Merrill Lynch All Convertibles (3)				2.16%				5.01%				2.79%	10.27%	9.37%	8.01%	4.94%

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	Market Value	Allocation	Actual	Month Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Fiscal YTD Net ROR	FY06 Net ROR	Ended 6/30/2006 Net	Ended 6/30/2006 Net
BBB Average Quality																
Wells Capital	1,651,566	3.4%	3.2%	0.11%	1,665,023	3.5%	3.5%	2.07%	1,628,090	3.6%	3.5%	4.58%	6.85%	-2.70%	3.36%	5.51%
Lehman BBB				0.12%				1.49%				4.80%	6.48%	-2.37%	2.39%	6.10%
Private Debt																
Prudential	1,648,076	3.4%	3.2%	0.18%	1,659,956	3.5%	3.5%	1.47%	1,632,976	3.6%	3.5%	3.84%	5.56%	-0.13%	N/A	N/A
Lehman Aggregate				-0.04%				1.24%				3.81%	5.05%	-0.81%	N/A	N/A
Timberland																
TIR - Teredo (4)	1,206,579	2.5%	2.5%	0.06%	1,218,389	2.6%	2.6%	2.22%	1,161,802	2.6%	2.6%	-0.19%	2.09%	-1.44%	7.62%	N/A
TIR - Springbank	3,173,977	6.5%	6.5%	32.22%	2,489,825	5.2%	5.2%	-0.20%	2,433,776	5.4%	5.4%	-0.06%	31.89%	13.53%	N/A	N/A
Total Timberland	4,380,556	9.0%	9.0%	21.66%	3,708,214	7.8%	7.8%	0.59%	3,595,578	7.9%	7.9%	-0.10%	22.25%	9.43%	20.37%	N/A
NCREIF Timberland Index				2.11%				6.46%				0.85%	9.63%	19.69%	13.94%	N/A
TOTAL DOMESTIC FIXED INCOME	14,010,430	28.7%	29.0%	6.19%	13,237,192	27.8%	29.0%	1.58%	12,933,273	28.5%	29.0%	2.67%	10.75%	3.12%	8.91%	8.14%
Lehman Aggregate				-0.04%				1.24%				3.81%	5.05%	-0.81%	2.05%	4.97%
HIGH YIELD BONDS																
Core																
Loomis Sayles	1,432,322	2.9%	3.0%	0.89%	1,419,245	3.0%	3.0%	4.69%	1,355,582	3.0%	3.0%	4.85%	10.74%	4.74%	N/A	N/A
Sutter/Wells Capital	1,363,579	2.8%	3.0%	1.25%	1,351,991	2.8%	3.0%	1.39%	1,334,380	2.9%	3.0%	2.84%	5.57%	4.70%	N/A	N/A
Total Core	2,795,902	5.7%	5.9%	1.06%	2,771,236	5.8%	5.9%	3.05%	2,689,962	5.9%	6.0%	3.84%	8.15%	4.72%	5.70%	3.38%
LB High Yield 2% Issuer Contstrained Index				1.14%				4.11%				3.76%	9.26%	4.38%	N/A	N/A
Mezzanine Debt																
Goldman Sachs	33,743	0.1%	0.1%	0.00%	33,743	0.1%	0.1%	1.95%	19,270	0.0%	0.0%	-0.04%	1.91%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	2,829,644	5.8%	6.0%	1.06%	2,804,979	5.9%	6.0%	3.05%	2,709,233	6.0%	6.0%	3.82%	8.11%	4.72%	8.34%	7.47%
LB High Yield 2% Issuer Contstrained Index				1.14%				4.11%				3.76%	9.26%	4.38%	8.48%	8.60%
INTERNATIONAL FIXED INCOME																
International Sovereign																
UBS Global (Brinson)	2,087,118	4.3%	4.8%	-1.64%	2,121,343	4.5%	4.8%	1.88%	2,067,120	4.6%	4.8%	-0.15%	0.06%	0.13%	5.24%	9.99%
Citigroup Non-US Gov't Bond Index (5)				-1.66%				2.09%				0.89%	1.29%	-0.11%	5.01%	9.58%
International Core																
Brandywine	2,134,744	4.4%	4.8%	-1.36%	2,163,655	4.5%	4.8%	2.84%	2,118,666	4.7%	4.8%	1.93%	3.41%	3.89%	8.39%	N/A
Lehman Global Aggregate (ex-US)				-1.58%				2.57%				1.13%	2.10%	3.83%	5.69%	N/A
TOTAL INTERNATIONAL FIXED INCOME	4,221,862	8.6%	9.5%	-1.50%	4,284,997	9.0%	9.5%	2.37%	4,185,787	9.2%	9.5%	0.89%	1.74%	2.01%	6.82%	10.91%
Citigroup Non-US Gov't Bond Index (5)				-1.66%				2.09%				0.89%	1.29%	0.00%	5.05%	9.60%
REAL ESTATE																
INVESCO	2,084,690			2.37%	2,036,356			0.14%	2,083,953			1.55%	4.11%	23.84%	N/A	N/A
J.P. Morgan Strategic & Special Funds	2,140,999			1.50%	2,136,572			4.17%	2,106,681			4.36%	10.35%	21.05%	17.14%	12.52%
J.P. Morgan Alternative Property Fund	502,547			0.61%	499,496			0.00%	461,516			-2.82%	-2.23%	N/A	N/A	N/A
TOTAL REAL ESTATE	4,728,236	9.7%	9.5%	1.79%	4,672,425	9.8%	9.5%	1.94%	4,652,149	10.3%	9.5%	2.40%	6.25%	22.09%	17.14%	12.52%
NCREIF TOTAL INDEX				1.48%				4.51%				3.51%	9.78%	18.22%	15.63%	12.19%
ALTERNATIVE INVESTMENTS																
Coral Partners V	13,090			0.00%	13,699			1.68%	21,372			-0.31%	1.36%	8.74%	-15.32%	-24.06%
Coral Partners V - Supplemental	1,610			0.00%	1,667			8.05%	1,941			-0.70%	7.29%	10.53%	10.33%	N/A
Coral Partners VI	30,062			0.00%	28,426			-2.87%	32,830			-0.08%	-2.95%	-6.22%	-10.14%	N/A
Brinson 1998 Partnership Fund	3,987			0.00%	4,093			2.07%	4,498			4.03%	6.18%	16.52%	15.11%	1.97%
Brinson 1999 Partnership Fund	7,231			0.00%	7,423			4.42%	11,164			8.99%	13.81%	14.27%	12.72%	-1.26%
Brinson 2000 Partnership Fund	23,318			0.00%	23,936			2.97%	26,079			4.86%	7.98%	28.22%	17.90%	3.70%
Brinson 2001 Partnership Fund	15,864			0.00%	16,285			-1.63%	18,570			8.12%	6.36%	19.85%	9.95%	3.22%
Brinson 2002 Partnership Fund	8,935			0.00%	9,172			-6.73%	11,032			9.58%	2.20%	32.42%	13.22%	N/A
Brinson 2003 Partnership Fund	2,650			0.00%	2,720			5.60%	2,889			3.05%	8.82%	25.48%	6.77%	N/A
Brinson 1999 Non-US Partnership Fund	3,317			0.00%	3,405			25.02%	4,192			16.69%	45.89%	40.48%	30.98%	18.60%
Brinson 2000 Non-US Partnership Fund	6,424			0.00%	6,594			0.83%	7,337			26.11%	27.15%	35.03%	21.65%	13.01%
Brinson 2001 Non-US Partnership Fund	6,487			0.00%	6,659			-19.07%	9,230			7.27%	-13.19%	27.25%	17.46%	8.96%
Brinson 2002 Non-US Partnership Fund	11,591			0.00%	11,898			31.26%	12,399			17.05%	53.64%	38.11%	22.66%	N/A
Brinson 2003 Non-US Partnership Fund	9,237			0.00%	9,482			12.56%	8,024			21.45%	36.70%	31.08%	8.89%	N/A
Brinson 2004 Non-US Partnership Fund	3,424			0.00%	3,515			7.00%	2,976			-0.77%	6.18%	24.56%	N/A	N/A
Brinson BVCF IV	38,150			0.00%	39,162			10.81%	39,647			9.17%	20.98%	31.35%	19.07%	0.41%
Adams Street Direct Co-investment Fund	8,132			0.00%	4,066			-5.02%	4,803			N/A	N/A	N/A	N/A	N/A
Matlin Patterson Global Opportunities	28,226			0.00%	28,974			12.96%	28,776			-5.52%	6.72%	-11.68%	26.48%	N/A
Matlin Patterson Global Opportunities II	64,982			0.00%	66,706			0.27%	52,926			0.71%	0.98%	-0.85%	N/A	N/A
InvestAmerica	11,857			0.00%	12,172			0.00%	13,654			30.21%	30.21%	0.00%	-9.20%	N/A
Hearthstone MSII	1,922			0.00%	950			0.00%	330			0.00%	0.00%	-100.00%	-100.00%	-100.00%
Hearthstone MSIII	8,434			0.00%	5,030			-1.32%	772			38.24%	36.42%	59.61%	N/A	N/A
Quantum Resources	5,997			0.00%	6,156			N/A	-			N/A	N/A	N/A	N/A	N/A
Quantum Energy Partners	86			N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	315,012	0.6%	1.0%	0.00%	312,192	0.7%	1.0%	3.68%	315,440	0.7%	1.0%	6.16%	10.07%	11.08%	10.40%	-2.89%
CASH EQUIVALENTS																
Northern Trust STIF/STEP	119,660	0.2%	0.0%	0.45%	50,776	0.1%	0.0%	1.30%	142,336	0.3%	0.0%	1.34%	3.12%	4.31%	2.64%	2.41%
90 Day T-Bill				0.41%				1.26%				1.33%	3.02%	4.00%	2.37%	2.25%
TOTAL FUND	48,860,204	100.0%	100.0%	2.62%	47,631,502	100.0%	100.0%	5.22%	45,312,087	100.0%	100.0%	2.80%	11.00%	9.13%	12.57%	7.23%
POLICY TARGET BENCHMARK				0.53%				4.57%				3.30%	8.59%	6.25%	8.80%	5.55%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Toledo properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.